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SUBJECT: AZERBAIJAN: 2009 COUNTRY REPORTS ON TERRORISM

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Summary: Cooperation between Azerbaijan and the United States on counterterrorism predates the September 11, 2001 attacks and the first waiver of Section 907 of the FREEDOM Support Act in January 2002. For the last several years, the GOAJ has increased its efforts to combat terrorist financing, and has aggressively apprehended and tried members of suspected terrorist groups. It has also closed organizations operating in Azerbaijan that were suspected of supporting terrorist groups, including some known to have directly targeted U.S. interests. End Summary.

Proposed report for Azerbaijan in 2009 Patterns of Global Terrorism Report to Congress.

Azerbaijan and the United States have a very good record of cooperation on counterterrorism issues that predates the September 11, 2001 attacks. Azerbaijan assisted in the investigation of the 1998 East Africa Embassy bombings and has cooperated with the U.S. Embassy in Baku to counter terrorist threats against the Mission. After the September 11 attacks, the Government of Azerbaijan expressed unqualified support for the United States and offered invaluable assistance to the U.S.-led counterterrorism coalition. Azerbaijan has granted blanket overflight clearance, engaged in information sharing and law-enforcement cooperation, and has approved numerous landings and refueling operations at Baku's civilian airport in support of U.S. and Coalition military operations in Afghanistan. Azerbaijan supported peacekeeping operations in Iraq from August 2003 to November 2008 with an infantry company of approximately 150 soldiers stationed at the Haditha dam. Azerbaijan maintains 90 soldiers in Afghanistan and cooperates with the Coalition in medical and social services and civilian capacity-building. Azerbaijani forces also contributed for several years to peacekeeping operations in Kosovo, serving alongside Turkish units.

Azerbaijan has also provided unstinting political support to the United States in the Global War on Terrorism. With its 2005 ratification of the International Convention for the Suppression of Acts of Nuclear Terrorism, Azerbaijan has acceded to all 13 United Nations Conventions on Terrorism. It has also joined 11 European conventions on combating terrorism. In 2003, Azerbaijan implemented UN Security Council resolutions 1368, 1373 and 1377. In May 2005, it joined the Convention of the Council of Europe on terrorism prevention. The government also approved changes to the criminal code that increased the maximum penalty for acts of terrorism from 15 years to life imprisonment and added a provision making the financing of terrorist activities a crime under Azerbaijani law.

While Azerbaijan is a logical route for terrorist organizations seeking to move people, money, and materiel through the Caucasus, the country actively opposes them. Azerbaijan has stepped up its efforts and has had some success in reducing their presence and hampering their

activities. In recent months, Azerbaijan has shown an increasing level of seriousness and urgency in taking steps to combat terrorist financing, and is proceeding with efforts to implement its law on anti-money laundering (AML) and counter-terrorism financing and establish a Financial Investigative Unit (FIU). The Central Bank, which houses the FIU, prepared an action plan in October 2009 to bring Azerbaijan's AML/FIU into conformity with the standards of the United Nations, the Financial Action Task Force (FATF) and other international organizations and conventions, and submitted the plan to MONEYVAL, the Council of Europe's expert commission on money laundering and terrorist finance. That institution, in turn, reviewed Azerbaijan's proposals in December and agreed to withdraw its advisory (on non-compliance) on Azerbaijan. MONEYVAL noted, however, that issues and concerns on implementation remain, and that Azerbaijan is expected to take legislative action this spring. MONEYVAL's plenary session will further review Azerbaijan's progress in March 2010. The FIU has requested technical assistance from the USG to improve the legal framework in the AML/CTF area, establish information systems, build capacity for AML/CTF stakeholders, and develop a mid-term strategy plan for the FIU. Azerbaijan continues to identify possible terrorist-related funding by distributing lists of suspected terrorist groups and individuals to local banks.

Azerbaijan is located along drug transit routes running from Afghanistan and Central Asia or Iran to Russia and Europe, and trans-shipments of illegal substances from East to West via its territory remain Azerbaijan's primary narcotics issue. Domestic consumption and cultivation of narcotics as well as seizures have continued to increase. The GOAJ continues to refine its strategy to combat drug transit and use in Azerbaijan, and is bolstering its ability to collect and analyze drug-related intelligence. As a result, the GOAJ is engaging in more productive investigations against narcotics traffickers. Corruption remains a significant problem in Azerbaijan, however, and permeates much of society. The United States has funded counternarcotics assistance to Azerbaijan through the FREEDOM Support Act since 2002; Azerbaijan is party to the 1988 United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances.

In 2007, the Ministry of National Security (MNS) rounded up 15 Azerbaijani citizens who were members of the "Mahdi Army Group," a jihadist organization the government linked to the Iranian Revolutionary Guard Corps.

On June 18, the Military Court of Grave Crimes sentenced Lieutenant Kamran Asadov and 20 accomplices to prison terms from two to 15 years for their participation in an abortive plot to attack the United States and British embassies in Baku in late 2007. Asadov and his confederates stole weapons and ammunition from the army base where he was posted and committed an armed robbery at a Lukoil gas station, probably to finance their cell. The Ministry of National Security (MNS) arrested the group members in October and early November 2007. The investigation established connections between Asadov and foreign Salafist extremists. According to press reports, members of the group told the MNS that they planned to attack the U.S. Embassy.

On October 4, a Baku court sentenced two Lebanese nationals - Ali Muhammad Karaki and Ali Hussein Najmeddin - to 15 years each, and sentenced four Azerbaijani accomplices to terms of two to 14 years. The court found that the group was planning attacks on the Israeli Embassy. The investigation revealed links between Karaki and Hussein, Hizballah and supporters in Iran.

In two separate trials in October, the Court of Grave Crimes sentenced 15 Azerbaijani nationals to prison terms ranging from six months to 30 months for participating in illegal armed formations in Pakistan and Afghanistan. In the 11 cases where the accused received six months, they were released, having already served that much time since their

arrests. Depending on the individual combinations of charges proffered, each of the 15 defendants had been in jeopardy of a sentence of up to five or seven years.

On November 4, a Baku court sentenced 26 people - 23 Azerbaijanis, two Turkish nationals and a Russian national - to prison terms from 2 to 15 years for the August 17, 2008 attack on Baku's main Sunni mosque, known as Abu Bakr. The grenade attack killed three people and wounded eight others. The mosque has not reopened since the attack. The Azerbaijani government linked the Abu Bakr Mosque attackers to the "Forest Brothers" organization of the North Caucasus, whose leader Ilgar Mollachiyev was killed in Dagestan in September 2008.

There is no evidence in 2009 that terrorists find safe haven in Azerbaijan or that there is any terrorist group operating in Azerbaijan which meets the guidelines defined for this report.

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